



**Summary of Consolidated Financial Results for the  
Second Quarter of the Fiscal Year Ending September 30, 2023  
(Six Months Ended March 31, 2023)**

May 12, 2023

[Japanese GAAP]

Company name: IMV CORPORATION

Listing: Tokyo Stock Exchange

Stock code: 7760

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Scheduled date of filing of Quarterly Securities Report:

May 12, 2023

Scheduled date of payment of dividend:

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Preparation of supplementary materials for quarterly financial results:

Yes

Holding of quarterly financial results meeting:

None

(All amounts are rounded down to the nearest million yen)

**1. Consolidated Financial Results for the Second Quarter (October 1, 2022 – March 31, 2023) of the Fiscal Year Ending September 30, 2023**

**(1) Consolidated results of operations**

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended Mar. 31, 2023	6,952	16.3	836	70.1	863	22.9	631	9.3
Six months ended Mar. 31, 2022	5,976	(5.7)	491	(45.3)	702	(37.6)	577	(27.7)

Note: Comprehensive income (million yen)

Six months ended Mar. 31, 2023: 638 (up 34.8%)

Six months ended Mar. 31, 2022: 473 (down 40.3%)

	Net income per share		Diluted net income per share	
	Yen		Yen	
Six months ended Mar. 31, 2023	38.77		–	
Six months ended Mar. 31, 2022	35.46		–	

**(2) Consolidated financial position**

	Total assets		Net assets		Equity ratio	
	Million yen		Million yen		%	
As of Mar. 31, 2023	17,423		8,753		50.2	
As of Sep. 30, 2022	16,964		8,275		48.8	

Reference: Shareholders' equity (million yen)

As of Mar. 31, 2023: 8,753

As of Sep. 30, 2022: 8,275

**2. Dividends**

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
Fiscal year ended Sep. 30, 2022	–	0.00	–	10.00	10.00
Fiscal year ending Sep. 30, 2023	–	0.00	–	–	–
Fiscal year ending Sep. 30, 2023 (forecasts)	–	–	–	10.00	10.00

Note: Revisions to the most recently announced dividend forecast: None

**3. Consolidated Forecast for the Fiscal Year Ending September 30, 2023  
(October 1, 2022 – September 30, 2023)**

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	12,500	5.1	1,000	21.3	1,000	(19.1)	690	(36.0)	42.35

Note: Revisions to the most recently announced consolidated forecast: None

**\* Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in change in scope of consolidation): None

Newly added: –

Excluded: –

(2) Application of special accounting methods for presenting quarterly consolidated financial statements: None

(3) Changes in accounting policies and accounting-based estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting-based estimates: None

4) Restatements: None

(4) Number of shares issued (common shares)

1) Number of shares issued (including treasury shares) at the end of the period

As of Mar. 31, 2023:	16,957,016 shares	As of Sep. 30, 2022:	16,957,016 shares
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2) Number of treasury shares at the end of the period

As of Mar. 31, 2023:	659,726 shares	As of Sep. 30, 2022:	663,485 shares
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3) Average number of shares issued during the period

Six months ended Mar. 31, 2023:	16,294,006 shares	Six months ended Mar. 31, 2022:	16,293,532 shares
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Note: The current quarterly financial report is not subject to quarterly review by certified public accountants or auditing firms.

**Contents of Attachments**

1. Qualitative Information on Quarterly Consolidated Financial Performance	2
(1) Explanation of Results of Operations	2
(2) Explanation of Financial Position	2
(3) Our Efforts to Mitigate the Impact of COVID-19	3
(4) Explanation of Consolidated Forecast and Other Forward-looking Statements	3
2. Quarterly Consolidated Financial Statements and Notes	4
(1) Quarterly Consolidated Balance Sheet	4
(2) Quarterly Consolidated Statements of Income and Comprehensive Income	6
(3) Quarterly Consolidated Statement of Cash Flows	8
(4) Notes to Quarterly Consolidated Financial Statements	9
Going Concern Assumption	9
Significant Changes in Shareholders' Equity	9
3. Others	10
Production, Orders Received and Sales	10

## 1. Qualitative Information on Quarterly Consolidated Financial Performance

### (1) Explanation of Results of Operations

During the first half of the current fiscal year, the outlook for the global economy remained more uncertain than ever due to concerns about the tightened monetary policy of each country to control inflation and the shortage of electronic components, as well as soaring energy prices following Russia's invasion of Ukraine. Meanwhile, amid the ongoing global trend toward digitalization and decarbonization, we expect that the shift to electric vehicles will continue to accelerate going forward, which helps keep the capital investment environment robust in the market for electric vehicle components, batteries, and other related products.

Under such circumstances, net sales of the Group increased by 976 million yen year on year to 6,952 million yen thanks to an increase in sales of dynamic simulation systems and test and solution services. On the profit front, operating profit increased by 344 million yen to 836 million yen, ordinary profit increased by 160 million yen to 863 million yen, and profit attributable to owners of parent increased by 53 million yen to 631 million yen. This is mainly because the Group made efforts to strengthen its earning power by continually promoting refinement of the existing products and reduction of manufacturing costs, in addition to the effect of the revenue growth, even in the face of the soaring material prices and electric power charge.

Business results by product category were as follows:

#### 1) Dynamic Simulation Systems

In the market of electrodynamic vibration test systems, sales were stronger than a year ago because of winning orders for large-scale projects for electric vehicles in Europe and the United States. In the domestic market, market sentiment turned up with a sign of an increase in demand for capital investment, and the number of orders received showed an increasing trend. In the service sector, sales increased year on year due to robust demand for amplifier renewals and maintenance contracts, which continued from the first quarter.

As a result, category sales increased by 849 million yen year on year to 5,209 million yen.

#### 2) Test and Solution Services

Sales were higher than a year ago as sales of vibration tests for electric vehicles and power plants remained strong.

As a result, category sales increased by 142 million yen year on year to 1,319 million yen.

#### 3) Measuring Systems

Although we received orders of seismic monitoring systems, the recognition of revenue had to be deferred following a delay in completion of products and shipments due to supply shortage of electronic components and semiconductors. Sales of vibration monitoring systems were lower than a year ago due to sluggish demand from plants and electric power plants.

As a result, category sales decreased by 14 million yen year on year to 424 million yen.

### (2) Explanation of Financial Position

#### Assets

Net assets increased by 459 million yen from the end of the previous fiscal year to 17,423 million yen at the end of the second quarter of the current fiscal year. Current assets increased by 531 million yen to 11,966 million yen. This was mainly attributable to a 684 million yen increase in trade receivables and a 341 million yen increase in inventories, despite a 638 million yen decrease in cash and deposits. Non-current assets decreased by 72 million yen to 5,456 million yen. This was mainly attributable to the progress of depreciation.

#### Liabilities

Total liabilities decreased by 18 million yen from the end of the previous fiscal year to 8,670 million yen at the end of the second quarter of the current fiscal year. Current liabilities increased by 24 million yen to 7,533 million

yen. This was mainly attributable to a 285 million yen increase in trade payables, despite a 378 million yen decrease in current portion of long-term borrowings. Non-current liabilities decreased by 42 million yen to 1,136 million yen. This was mainly attributable to a 48 million yen decrease in long-term borrowings.

#### Net assets

Net assets increased by 477 million yen from the end of the previous fiscal year to 8,753 million yen at the end of the second quarter of the current fiscal year. This was mainly attributable to a 468 million yen increase in retained earnings. As a result, the equity ratio increased 1.4 percentage points to 50.2%.

#### Cash Flows

The balance of cash and cash equivalents as of March 31, 2023 decreased by 647 million yen from the end of the previous fiscal year to 2,626 million yen.

##### (Cash flows from operating activities)

Net cash provided by operating activities during the first half of the current fiscal year increased by 23 million yen year on year to 188 million yen. This was mainly because increases in inventories of 230 million yen and trade payables of 229 million yen and a decrease in income taxes paid of 316 million yen exceeded an increase in trade receivables of 556 million yen.

##### (Cash flows from investing activities)

Net cash used in financing activities during the first half of the current fiscal year amounted to 135 million yen, compared with net cash provided of 52 million yen in the same period of the previous fiscal year. This was mainly due to purchase of property, plant and equipment of 111 million yen.

##### (Cash flows from financing activities)

Net cash used in financing activities during the first half of the current fiscal year amounted to 689 million yen, compared with net cash used of 570 million yen in the same period of the previous fiscal year. This was mainly due to repayments of long-term borrowings of 725 million yen.

### **(3) Our Efforts to Mitigate the Impact of COVID-19**

To deal with the various issues associated with the spread of COVID-19, the Company is taking various measures under the leadership of the Management Planning Division with the support of internal and external experts. Specifically, we have developed guidance for employees about the spread of the COVID-19 pandemic, handled vaccine-related matters, and strengthened the infection control measures in place for essential operations.

Furthermore, as a measure to ensure the safety of our employees, we are continuing to apply our telecommuting policies and to support this initiative with information technology. In addition, our post-COVID-19 convergence workplace strategy will enable us to realize the creation and implementation of an optimal working environment through measures such as the promotion of a paperless workplace built around telecommuting.

In addition, we are taking measures to ensure the safety of our employees as well as our customers by recommending that meetings with customers be conducted using web conferencing systems and by providing test videos remotely for contract testing.

### **(4) Explanation of Consolidated Forecast and Other Forward-looking Statements**

These projections are based on information available at the time of release of this report. Actual results may differ from projections due to a variety of reasons.

**2. Quarterly Consolidated Financial Statements and Notes****(1) Quarterly Consolidated Balance Sheet**

	(Thousands of yen)	
	FY9/22 (As of Sep. 30, 2022)	Second quarter of FY9/23 (As of Mar. 31, 2023)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	3,523,276	2,884,731
Notes and accounts receivable-trade	3,559,730	4,028,912
Electronically recorded monetary claims-operating	573,160	788,012
Finished goods	812,477	589,224
Work in process	1,788,420	2,251,041
Raw materials	900,948	1,002,820
Other	279,027	424,240
Allowance for doubtful accounts	(2,421)	(2,471)
<b>Total current assets</b>	<b>11,434,620</b>	<b>11,966,512</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	2,207,263	2,202,436
Land	1,935,656	1,935,656
Other, net	735,657	671,848
<b>Total property, plant and equipment</b>	<b>4,878,577</b>	<b>4,809,941</b>
<b>Intangible assets</b>		
Software	81,576	93,687
Other	4,392	4,334
<b>Total intangible assets</b>	<b>85,969</b>	<b>98,022</b>
Investments and other assets	565,008	549,013
<b>Total non-current assets</b>	<b>5,529,554</b>	<b>5,456,977</b>
<b>Total assets</b>	<b>16,964,175</b>	<b>17,423,490</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	1,296,663	1,435,429
Electronically recorded obligations-operating	858,305	1,032,503
Short-term borrowings	2,310,000	2,210,000
Current portion of long-term borrowings	1,050,605	672,594
Accounts payable-other	519,791	492,059
Accrued expenses	397,641	390,536
Income taxes payable	112,158	223,495
Accrued consumption taxes	16,329	7,508
Contract liabilities	851,370	988,056
Provision for product warranties	37,000	35,000
Provision for share-based compensation	13,824	7,360
Other	45,906	39,251
<b>Total current liabilities</b>	<b>7,509,597</b>	<b>7,533,793</b>
<b>Non-current liabilities</b>		
Long-term borrowings	909,038	860,757
Long-term accounts payable-other	175,529	175,529
Asset retirement obligations	50,349	50,461
Other	44,045	49,738
<b>Total non-current liabilities</b>	<b>1,178,962</b>	<b>1,136,486</b>
<b>Total liabilities</b>	<b>8,688,560</b>	<b>8,670,280</b>

	(Thousands of yen)	
	FY9/22 (As of Sep. 30, 2022)	Second quarter of FY9/23 (As of Mar. 31, 2023)
Net assets		
Shareholders' equity		
Share capital	464,817	464,817
Capital surplus	536,337	537,372
Retained earnings	7,429,020	7,897,865
Treasury shares	(143,762)	(142,948)
Total shareholders' equity	8,286,412	8,757,107
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	18,711	31,812
Foreign currency translation adjustment	(29,508)	(35,709)
Total accumulated other comprehensive income	(10,797)	(3,897)
Total net assets	8,275,614	8,753,209
Total liabilities and net assets	16,964,175	17,423,490

**(2) Quarterly Consolidated Statements of Income and Comprehensive Income****Quarterly Consolidated Statement of Income****For the Six-month Period**

	(Thousands of yen)	
	First six months of FY9/22 (Oct. 1, 2021 – Mar. 31, 2022)	First six months of FY9/23 (Oct. 1, 2022 – Mar. 31, 2023)
Net sales	5,976,328	6,952,960
Cost of sales	3,984,894	4,623,359
Gross profit	1,991,433	2,329,600
Selling, general and administrative expenses	1,499,743	1,493,246
Operating profit	491,689	836,354
Non-operating income		
Interest income	83	4,797
Dividend income	2,909	1,557
Foreign exchange gains	211,330	17,047
Rental income	4,732	4,077
Seminar income	4,334	6,464
Miscellaneous income	2,630	9,411
Total non-operating income	226,022	43,355
Non-operating expenses		
Interest expenses	10,489	6,735
Seminar expenses	3,693	3,997
Miscellaneous loss	1,364	5,813
Total non-operating expenses	15,547	16,546
Ordinary profit	702,164	863,163
Extraordinary income		
Gain on sale of non-current assets	–	478
Gain on sale of investment securities	82,605	–
Gain on sale of shares of subsidiaries	38,194	–
Total extraordinary income	120,799	478
Extraordinary losses		
Loss on retirement of non-current assets	52	133
Total extraordinary losses	52	133
Profit before income taxes	822,911	863,508
Income taxes-current	226,848	198,049
Income taxes-deferred	13,609	33,677
Total income taxes	240,457	231,727
Profit	582,454	631,780
Profit attributable to non-controlling interests	4,660	–
Profit attributable to owners of parent	577,794	631,780



**Quarterly Consolidated Statement of Comprehensive Income****For the Six-month Period**

	(Thousands of yen)	
	First six months of FY9/22 (Oct. 1, 2021 – Mar. 31, 2022)	First six months of FY9/23 (Oct. 1, 2022 – Mar. 31, 2023)
Profit	582,454	631,780
Other comprehensive income		
Valuation difference on available-for-sale securities	(80,171)	13,101
Foreign currency translation adjustment	(28,371)	(6,201)
Total other comprehensive income	(108,543)	6,900
Comprehensive income	473,910	638,681
Comprehensive income attributable to:		
Owners of parent	467,575	638,681
Non-controlling interests	6,334	–

**(3) Quarterly Consolidated Statement of Cash Flows**

(Thousands of yen)

	First six months of FY9/22 (Oct. 1, 2021 – Mar. 31, 2022)	First six months of FY9/23 (Oct. 1, 2022 – Mar. 31, 2023)
Cash flows from operating activities		
Profit before income taxes	822,911	863,508
Depreciation	273,051	251,843
Loss (gain) on sale of investment securities	(82,605)	–
Loss (gain) on sale of shares of subsidiaries	(38,194)	–
Increase (decrease) in allowance for doubtful accounts	20	50
Increase (decrease) in provision for share-based compensation	8,112	(6,464)
Increase (decrease) in provision for product warranties	(12,000)	(2,000)
Interest and dividend income	(2,993)	(6,354)
Rental income	(4,732)	(4,077)
Interest expenses	10,489	6,735
Foreign exchange losses (gains)	(71,867)	(15,771)
Loss (gain) on sale of property, plant and equipment	–	(478)
Loss on retirement of non-current assets	52	133
Decrease (increase) in trade receivables	(118,267)	(674,441)
Decrease (increase) in inventories	(99,791)	(330,379)
Increase (decrease) in trade payables	(11,582)	217,966
Other, net	(104,881)	(32,102)
Subtotal	567,721	268,167
Interest and dividends received	2,993	6,354
Interest paid	(10,626)	(6,735)
Income taxes paid	(395,348)	(79,196)
Net cash provided by (used in) operating activities	164,739	188,589
Cash flows from investing activities		
Purchase of property, plant and equipment	(122,159)	(111,890)
Proceeds from sale of property, plant and equipment	–	1,092
Purchase of intangible assets	(3,162)	(24,610)
Purchase of investment securities	(102,676)	(1,844)
Proceeds from sale of investment securities	195,756	–
Payments into time deposits	(9,001)	(9,002)
Proceeds from sale of shares of subsidiaries	95,006	–
Other, net	(958)	10,272
Net cash provided by (used in) investing activities	52,803	(135,982)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(3)	(100,000)
Proceeds from long-term borrowings	–	300,000
Repayments of long-term borrowings	(383,497)	(725,591)
Repayments of finance lease obligations	(261)	(1,390)
Dividends paid	(161,529)	(162,380)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(25,525)	–
Net cash provided by (used in) financing activities	(570,817)	(689,362)
Effect of exchange rate change on cash and cash equivalents	39,893	(10,791)
Net increase (decrease) in cash and cash equivalents	(313,380)	(647,547)
Cash and cash equivalents at beginning of period	3,652,453	3,273,752
Cash and cash equivalents at end of period	3,339,072	2,626,205

**(4) Notes to Quarterly Consolidated Financial Statements**

**Going Concern Assumption**

Not applicable.

**Significant Changes in Shareholders' Equity**

Not applicable.

### 3. Others

#### Production, Orders Received and Sales

##### Production

	First six months of FY9/22 (Oct. 1, 2021 – Mar. 31, 2022)		First six months of FY9/23 (Oct. 1, 2022 – Mar. 31, 2023)		YoY (%)
	Thousands of yen	%	Thousands of yen	%	
Dynamic Simulation Systems	4,081,557	71.6	4,916,929	73.6	120.5
Test and Solution Services	1,176,944	20.6	1,335,523	20.0	113.5
Measuring Systems	442,812	7.8	429,510	6.4	97.0
Total	5,701,314	100.0	6,681,963	100.0	117.2

##### Orders Received

	First six months of FY9/22 (Oct. 1, 2021 – Mar. 31, 2022)		First six months of FY9/23 (Oct. 1, 2022 – Mar. 31, 2023)		YoY (%)
	Thousands of yen	%	Thousands of yen	%	
Dynamic Simulation Systems	4,633,742	73.1	5,763,187	77.5	124.4
Test and Solution Services	1,217,138	19.2	1,106,435	14.9	90.9
Measuring Systems	491,588	7.7	567,796	7.6	115.5
Total	6,342,469	100.0	7,437,420	100.0	117.3

##### Order backlog

	First six months of FY9/22 (Oct. 1, 2021 – Mar. 31, 2022)		First six months of FY9/23 (Oct. 1, 2022 – Mar. 31, 2023)		YoY (%)
	Thousands of yen	%	Thousands of yen	%	
Dynamic Simulation Systems	3,922,683	86.5	5,815,529	88.8	148.3
Test and Solution Services	346,618	7.6	198,411	3.0	57.2
Measuring Systems	266,466	5.9	537,884	8.2	201.9
Total	4,535,768	100.0	6,551,825	100.0	144.4

##### Sales

	First six months of FY9/22 (Oct. 1, 2021 – Mar. 31, 2022)		First six months of FY9/23 (Oct. 1, 2022 – Mar. 31, 2023)		YoY (%)
	Thousands of yen	%	Thousands of yen	%	
Dynamic Simulation Systems	4,359,594	72.9	5,209,066	74.9	119.5
Test and Solution Services	1,177,244	19.7	1,319,366	19.0	112.1
Measuring Systems	439,489	7.4	424,527	6.1	96.6
Total	5,976,328	100.0	6,952,960	100.0	116.3

\* This financial report is solely a translation of “Kessan Tanshin” (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.